

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Pat Wood, III, Chairman;
William L. Massey, and Nora Mead Brownell.

Discovery Gas Transmission LLC

Docket Nos. RP02-456-001
RP02-456-002
RP02-456-003

ORDER ON REHEARING AND COMPLIANCE FILINGS

(Issued May 14, 2003)

1. On October 15, 2002, in Docket No. RP02-456-001, Discovery Gas Transmission LLC (Discovery) filed a timely request for rehearing of the Commission's September 30, 2002 order¹ accepting, subject to further revisions, tariff sheets filed to comply with Order No. 587-O,² which required Discovery to incorporate standards promulgated by the Wholesale Gas Quadrant of the North American Energy Standards Board (WGQ). Discovery requests that the Commission rehear the September 30 Letter Order and grant Discovery an extension of time to implement the interactive web site and data sets required by the WGQ standards until 180 days from the date any person first requests use of such data set that is not currently supported by Discovery. On October 18, 2002, Discovery filed revised tariff sheets to comply with the September 30 Letter Order in Docket No. RP02-456-003³ (Compliance Filing).

2. For the reasons discussed below, the Commission will grant Discovery's request for rehearing, grant the requests for the 180-day extension of time for implementation of the

¹September 30, 2002 Letter Order in Docket No. RP02-456-000 (September 30 Letter Order).

²Standards For Business Practices Of Interstate Natural Gas Pipelines, Order No. 587-O, 67 Fed. Reg. 30788 (May 8, 2002), III FERC Stats. & Regs. Regulations Preambles ¶ 31,129 (May 1, 2002).

³In Docket No. RP02-456-002, Discovery submitted revised tariff sheets with an incorrect effective date. Discovery submitted a corrected version in Docket No. RP02-456-003. Therefore, Docket No. RP02-456-002 is rejected as moot.

Interactive/internet web site related standards and the capacity release data sets, and accept the revised tariff sheets identified in the Appendix to be effective October 1, 2002. This decision benefits customers by ensuring, to the extent practicable, that Discovery's business practices are consistent with the WGQ standards, without requiring Discovery to expend resources to comply with electronic standards that are not used by its customers.

I. Background

3. Order No. 587-O amended § 284.12 of the Commission's open access regulations to incorporate by reference Version 1.5 of the standards promulgated by WGQ. The new standards include a requirement that pipelines implement a title transfer tracking (TTT) service to track the change of title to natural gas between parties at a pooling point, and revisions to the capacity release timeline to provide for nomination equality as required by the Commission's Order No. 637.⁴ Order No. 587-O also removed § 284.12(a) of the regulations dealing with Electronic Bulletin Boards (EBBs) since all pipelines are required to provide all electronic communications and conduct all electronic transactions using the public Internet. The Commission required the pipelines to comply with the regulations adopted in Order No. 587-O by August 1, 2002, with an effective date of October 1, 2002.

4. On August 1, 2002, Discovery filed revised tariff sheets to comply, in part, with implementation of Order No. 587-O. Discovery requested waivers, or in the alternative, extensions of time for: (1) implementation of the Interactive/internet web site related standards; (2) adoption of the Title Transfer Tracking (TTT) standards; and (3) implementation of the capacity release data sets. Discovery noted that the Commission had previously granted Discovery an extension of time to implement the WGQ standards related to Interactive/internet web site until such time as requested by a Part 284 customer or Discovery's business changes significantly.⁵

5. The September 30 Letter Order conditionally accepted Discovery's proposed tariff sheets subject to revisions and granted Discovery extensions of time for implementation of

⁴Regulation of Short-Term Natural Gas Transportation Services and Regulation of Interstate Natural Gas Transportation Services, FERC Stats. & Regs., Regulations Preambles (July 1996 - December 2000) ¶ 31,091 (Feb. 9, 2000); order on rehearing, Order No. 637-A, FERC Stats. & Regs., Regulations Preambles (July 1996 - December 2000) ¶ 31,099 (May 19, 2000); order denying rehearing, Order No. 637-B, 92 FERC ¶ 61,062 (July 26, 2000); aff'd in part and remanded in part, Interstate Natural Gas Association of America v. FERC, 285 F.3d 18 (D.C. Cir. Apr. 5, 2002), Order on Remand, 101 FERC ¶ 61,127 (October 31, 2002).

⁵Discovery Gas Transmission LLC, 91 FERC ¶ 61,330 (June 29, 2000).

the Interactive/internet web site related standards and adoption of TTT standards for up to 90 days after a person first requests use of such a data set. The order, however, required Discovery to comply with the capacity release data sets for publicly available information.

II. Rehearing Request

6. In its request for rehearing, Discovery requests that the Commission extend from 90 days (as in the September 30 Letter Order) until 180 days the extension of time to implement the interactive web site requirement and the non-capacity release data sets, and requests that it also be granted a similar extension of time to implement the capacity release data sets. In the alternative, Discovery requests an extension of time for non-capacity release WGQ data sets until 180 days after the date that any person requests use of that WGQ data set and for capacity release WGQ data sets, until 180 days of the Commission's ruling on this request for rehearing. Discovery states that granting the extensions of time will ensure that Discovery does not engage in extensive effort unless and until the use of any WGQ data set is requested and needed on its system.

7. Discovery provides several reasons for the Commission to grant its request for extensions of time: (1) Discovery is a small offshore pipeline that currently has a small number of active shippers; (2) none of Discovery's shippers have requested, or expressed interest in, the availability of an Interactive/internet web site; (3) no capacity rights are released on its system; and (4) the significant costs and time associated with implementing any of the WGQ data sets. Discovery notes that under its Rate Schedule FTS-2, Discovery charges its firm shippers only a one-part, usage rate for firm transportation service, and that no capacity release activity occurs on its system. Additionally, Discovery has submitted a tariff sheet under which it will post on its Informational Web Site: (1) the details of any offer to release capacity, *i.e.*, quantity, time period, receipt and delivery points, restrictions and conditions associated with the offer; (2) details of all bids for the capacity; (3) details of the bid that was awarded; and (4) any withdrawals of offers or bids.⁶

Discussion

8. The Commission will grant Discovery's request to be permitted to implement the interactive web site and WGQ data sets up to 180 days from the date on which a customer request to use an Interactive/internet web site or data set is received. Although parties other than shippers may have interest in the capacity release data sets, we find that granting Discovery's request for extension of time for these data sets is warranted, given the small

⁶Substitute Third Revised Sheet No. 159 to FERC Gas Tariff, Original Volume No.

size of the pipeline, the little or no capacity release activity that takes place on the Discovery system, and Discovery's posting of any capacity release information that does occur on its non-interactive, informational web site.

III. Compliance Filing

9. On October 18, 2002, Discovery filed revised tariff sheets to comply with the September 30 Letter Order. In that order, the Commission directed Discovery to: (1) implement the capacity release data sets for publicly available information; (2) revise tariff sheets that remove the incorporation by reference of Standard 1.3.2 from Section 25.1 and incorporate WGQ Standards 1.3.2 (i) through (iv) (Version 1.5) verbatim including the changes in the errata dated November 30, 2001;⁷ and (3) revise tariff sheets to either incorporate Version 1.5 Standards 1.3.2 (v) and (vi) verbatim or by reference. No protests were filed.

10. We find that Discovery's revised tariff sheets are in compliance with the September 30 Letter Order. As discussed above, Discovery has proposed to post any capacity release information that takes place on its non-interactive, Informational web site, and the Commission accepts that proposal.

The Commission orders:

(A) The request for rehearing in this proceeding is granted, as discussed in the body of this order.

(B) The request for extensions of time for implementation of the Interactive/internet web site related standards and the capacity release data set is granted for up to 180 days from the date any person first requests use of such WGQ data sets.

(C) The revised tariff sheets shown on the Appendix are accepted to be effective October 1, 2002.

By the Commission.

⁷Section 284.12(a)(i) notes that the required Nomination Standard was that dated August 1, 2001, including WGQ's errata dated October 1, and November 30, 2001. The missing material is included in WGQ's errata.

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(S E A L)

Magalie R. Salas,
Secretary.

Appendix

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Revised Tariff Sheets
To FERC Gas Tariff, Original Volume No. 1
Accepted to be effective October 1, 2002

Second Revised Sheet No. 122
Second Revised Sheet No. 123
Substitute Second Revised Sheet No. 124
Substitute Third Revised Sheet No. 159
Substitute Second Revised Sheet No. 160
Substitute Sixth Revised Sheet No. 196